

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.¹

X :
: PROMESA
: Title III
:
: Case No. 17-BK-3283 (LTS)
:
: (Jointly Administered)
:
X

**APPLICATION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF COMMONWEALTH OF PUERTO RICO FOR APPOINTMENT OF
LOCAL COUNSEL FOR LEGAL REPRESENTATION OF THE COMMITTEE**

To The United States District Court Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of the Commonwealth of Puerto Rico (the “Committee”) through its authorized representative, and pursuant to section 1103 (a) of title 11 of the United States Code (the “Bankruptcy Code”), made applicable to this case pursuant to PROMESA section 301 (a), for the entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), (a) authorizing the employment of the law firm O’Neill & Gilmore Law Office LLC (“O’Neill & Gilmore, LLC”) as local Puerto Rico legal counsel to the Committee; and (b) providing that O’Neill & Gilmore, LLC may apply for allowance and payment of interim compensation and reimbursement of expenses in accordance with

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

PROMESA sections 316 and 317. In support of this Application, the Committee respectfully represents as follows:

Jurisdiction and Venue

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this matter pursuant to PROMESA section 306 (a).
2. Venue is proper pursuant to PROMESA section 307 (a).
3. The statutory bases for the relief requested herein are PROMESA section 316 and 317 and Bankruptcy Code section 105 (a), made applicable in the Title III Cases pursuant to PROMESA section 301 (a).

Background

1. On May 3, 2017, the Oversight Board issued a restructuring certification pursuant to PROMESA sections 104(j) and 206 and filed a voluntary petition for relief for the Commonwealth pursuant to section 304(a) of PROMESA, commencing a case under title III thereof. On May 5, 2017, the Oversight Board, as a representative of the Puerto Rico Sales Tax Financing Corporation (“COFINA”) filed a title III case, and, on May 21, 2017, the Oversight Board filed a title III filing for the Employees Retirement System for the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority. On July 2, 2017, the Oversight Board also filed a title III case for the Puerto Rico Electric Power Authority.

2. On June 15, 2017, the United States Trustee notified the appointment of the Official Committee of Unsecured Creditors in the Commonwealth of Puerto Rico [Docket no. 338].

Relief Requested

3. The Committee has convened on various occasions to interview and consider various applicants to serve as legal counsel and as financial advisors to the Committee. In

recognition of the size and breadth of this proceeding, and related proceedings filed since May 3, 2017, including a number of adversary proceedings pending, the Committee understands it is required to retain able legal counsel to serve as local Puerto Rico legal counsel.

4. In selecting local counsel, the Committee has made careful inquiry into the qualifications and connections of the firm O'Neill & Gilmore, LLC, and has found said firm to be appropriately qualified to represent the Committee as local Puerto Rico counsel in these proceedings by reason of the ability, integrity and professional experience of the members of the firm.

5. The Committee elected to retain O'Neill & Gilmore, LLC effective as of June 26, 2017, as its local Puerto Rico counsel in these proceedings subject to the approval of this Court in accordance with §1103 of the Bankruptcy Code as made applicable pursuant to PROMESA section 301 (a), Rule 2014 of the Federal Rules of Bankruptcy Procedure and LRB 2014-1 of the Local Bankruptcy rules for the District of Puerto Rico. The rates for the compensation of O'Neill & Gilmore, LLC as agreed to by the Committee, are as follows:

- a) \$250.00 per hour for the time of Patrick D. O'Neill, Esq;
- b) \$200.00 per hour for the time of Charles P. Gilmore, Esq;
- c) \$185.00 per hour for the time of Joel Gonzalez Toledo, Esq;
- d) \$175.00 per hour for the time of our associate attorneys;
- e) \$95.00 per hour for the time of our law clerks and/or paralegals;

plus ordinary and necessary expenses, for work performed or to be performed by the firm upon application and the approval of the Court; rates which are considered to be reasonable and fair, in line with services comparable to those performed on behalf of other clients of O'Neill & Gilmore, LLC.

6. O'Neill & Gilmore has represented to the Committee that O'Neill & Gilmore intends to provide the Committee monthly fee statements and, subject to any interim compensation orders entered by the Court, O'Neill & Gilmore shall submit interim and final fee applications that shall include all of its fees for professional services rendered on an hourly basis and reimbursement of expenses incurred in connection with the Title III Cases.

7. Section 1103 of the Bankruptcy Code, made applicable herein by §301 (a) of PROMESA, provides as follows:

(a) At a scheduled meeting of a committee appointed under section 1102 of this title, at which a majority of the members of such committee are present, and with the court's approval, such committee may select and authorize the employment by such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee.

8. To the best of the knowledge of the Committee, O'Neill & Gilmore, LLC, has no prior connections with the Committee, the Oversight and Financial Management Board for Puerto Rico, or other party in interest, their respective attorneys and accountants, the United States Trustee or any person employed in the office of the United States Trustee, except as set forth in the attached certification under Local Puerto Rico Bankruptcy Rule 2014-1 of Charles P. Gilmore, Esq. The Committee is aware that on June 30, 2017, the Debtors submitted the creditors matrix with over 600,000 creditors, including entities and individuals. The Committee is aware that at this time a full conflict check is not feasible, and that O'Neill & Gilmore, LLC will submit any supplemental declaration as needed.

9. The proposed local Puerto Rico legal counsel, O'Neill & Gilmore, LLC, will work in tandem with the law firm of Paul Hastings, LLP, based in New York, New York, for the representation of the Committee, including, but not limited to: provide local support; assist with the preparation, filing, service, and notification of all motions, pleadings and applications and other requests for relief on behalf of the Committee; attend hearings in the courts of the

Commonwealth of Puerto Rico as to matters related to the PROMESA proceedings; and to provide legal counseling to the Committee on matters pertaining to Puerto Rico law. The main legal counsel of the Committee, the various members of the law firm of Paul Hastings, LLP, have been sponsored for pro hac vice appearances before this Court by O'Neill & Gilmore, LLC.

10. In compliance with Rules 2014 and 2016 (b) of the Federal Rules of Bankruptcy Procedure and LBR 2016-1, a certificate executed by Charles P. Gilmore, Esq., is accompanied with this Application.

11. The Committee understands that all allowed compensation and expenses will be paid by the Commonwealth (and other title III debtor(s) (if any) for which the Committee acts as the official committee of unsecured creditors), and counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority has represented that the Commonwealth (and other title III debtor(s) (if any) for which the Committee acts as the official committee of unsecured creditors) has agreed to pay the fees of Committee's counsel on a timely basis after allowance by the Court or as provided in any interim compensation order. The Committee further understands that counsel for the Oversight Board has represented that, in accordance with PROMESA section 305, the Oversight Board consents to the Commonwealth's (and other title III debtor(s) (if any) for which the Committee acts as the official committee of unsecured creditors) payment as described herein. The Committee understands that under no circumstances shall the Committee members be responsible for payment of O'Neill & Gilmore's fees and expenses.

12. In compliance with P.R. LBR 2014-1 (a) the curriculum vitae of Charles P. Gilmore is also attached to the instant motion application.

13. Pursuant to a duly convened meeting of the Committee on July 6, 2017, the undersigned, a member of the Committee, the American Federation of Teachers, by and through

Mark Richard, Esq., was authorized by the Committee to appear on its behalf for the purpose of authorizing this Application to the Court.

14. The Committee requests the Court to provide for the effectiveness of the engagement of O'Neill & Gilmore, LLC as of June 26, 2017, as provided by P.R.-LBR 2014-1 (e). This application is submitted within fourteen (14) days of the date O'Neill & Gilmore, LLC that it first rendered services.

[continued on next page.]

WHEREFORE, the Official Committee of Unsecured Creditors respectfully requests this Honorable Court to enter an order, substantially in the form attached hereto as Exhibit A, (a) granting the Application; (b) authorizing the employment of O'Neill & Gilmore, LLC as local Puerto Rico counsel for the Committee effective as June 26, 2017, with compensation to be awarded in accordance with sections 316 and 317 of PROMESA, and any other interim compensation procedures as established by this Court, including the approval of any Fee Committee as may be established by order of this Court.

Dated: July 10, 2017
San Juan, Puerto Rico

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: The American Federation of Teachers
Solely in its capacity as member of the Committee
(and not in its individual capacity); authorized by
the Committee to sign this Application

By: /s/ Mark Richard
Name: Mark Richard
Title: Counsel to the President

Filed by:

s/ Patrick D. O'Neill
Patrick D. O'Neill

O'NEILL & GILMORE PSC
Patrick D. O'Neill, Esq.
USDC - PR 128202
252 Ponce de Leon Ave.
Citibank Tower Suite 1701
San Juan, Puerto Rico 00918
Tel.: (787) 620-0670

- and -

PAUL HASTINGS LLP
Luc. A. Despins, Esq. (*Pro Hac Vice*)
200 Park Avenue
New York, New York 10166

Tel: (212) 318-6000
lucdespins@paulhastings.com

Proposed Co-Counsel to the Official Committee of Unsecured Creditors

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	:	PROMESA
	:	Title III
as representative of	:	Case No. 17-BK-3283 (LTS)
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	
Debtors. ¹	:	(Jointly Administered)

X

**CERTIFICATION OF PROPOSED LOCAL PUERTO RICO COUNSEL FOR
OFFICIAL COMMITTEE OF UNSECURED CREDITORS UNDER PUERTO RICO
LOCAL BANKRUPTCY RULE 2014-1**

I, CHARLES P. GILMORE, do hereby certify under penalty of perjury that to the best of my knowledge, information and belief, the following is true and correct:

1. I am an attorney and counselor-at-law, fully admitted to practice in the Commonwealth of Puerto Rico and in this Court.

2. I maintain an office for the practice of law at 252 Ponce de Leon Ave., City Towers, Suite 1701, San Juan, PR 00918; and my postal address is the same; Tels. (787) 620-0670; Fax No. (787) 620-0671.

3. As of June 26, 2017, the firm of O'Neill & Gilmore Law Office, LLC ("O'Neill & Gilmore, LLC"), of which I am a partner, agreed to represent the Official Committee of

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Unsecured Creditors for the Commonwealth of Puerto Rico (“the Committee”) in these proceedings as local Puerto Rico counsel, as more particularly set forth in paragraphs four (4) and eight (8) of the Committee’s application for employment of attorney, subject to the approval of this Court.

4. Pursuant to the LBR 2014-1, I make the following disclosures:
 - a. Neither I nor any member of my firm holds or represents any interest adverse to the estates of the Debtors.
 - b. My connections and my firm’s connections with the Debtors, any creditor or other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed by the United States trustee are as follows: the firm represents Puerto Rico Hospital Supply, Inc., an unsecured creditor and member of the Committee.² The firm also represents, on a case-by-case basis, the University of Puerto Rico on certain immigration matters relative to its foreign-born faculty, assistants, and personnel. In light of the recent filing by the Debtors of the creditor matrix (on June 30, 2017) consisting of over 600,000 creditors, including both entities and individuals, the law firm will continue with its conflicts analysis to determine that there are no further conflicts, and will update this Certification as needed.
 - c. I am, and each member of my firm is, a “disinterested person” as that term is defined in 11 U.S.C. § 101(14).
 - d. I have not agreed to share with any person, except members of my firm, the compensation to be paid for the services rendered in this case.

² For the avoidance of doubt, O’Neill & Gilmore LLC will not charge the Committee for any fees and expenses incurred as a result of its representation of Puerto Rico Hospital Supply, Inc.

e. The terms of compensation agreed to are as follows: the firm has not requested, nor received, any retainer. The firm has agreed to the representation of the Committee based on the following rates:

- a) \$250.00 per hour for the time of Patrick D. O'Neill, Esq.
- b) \$200.00 per hour for the time of Charles P. Gilmore, Esq.
- c) \$185.00 per hour for the time of Joel Gonzalez Toledo, Esq.
- d) \$175.00 per hour for the time of our associate attorneys.
- e) \$95.00 per hour for the time of our law clerks and/or paralegals.

All allowed compensation and expenses will be paid by the Commonwealth, and counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority has represented to Paul Hastings LLP that the Commonwealth has agreed to pay the fees of Committee's counsel on a timely basis after allowance by the Court or as provided in any interim compensation order.

5. There are no agreements on the part of O'Neill & Gilmore, LLC for the sharing of any compensation or reimbursement received or to be received under 11 U.S.C. §§330(a) and 503(b)(2), or otherwise in connection with this case, nor will it share in any such compensation or reimbursement received by another person under such sections, except the customary payments to members, partners and regular associates of the firm.

6. In compliance with LBR 2014-1(a)(6), the undersigned certifies that he will amend this statement immediately upon learning that: (a) any of the representations made herein are incorrect, or (b) there is any change of circumstance relating thereto.

7. In compliance with Local Bankruptcy Rule 2014-1(a)(7), the undersigned certifies that he has reviewed the provisions of LBR 2014-1.

[continued on next page.]

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing is true and correct.

In San Juan, Puerto Rico, this 10th day of July, 2017.

s/ *Charles P. Gilmore*

Charles P. Gilmore, Esq.
USDC No. 209614

O'NEILL & GILMORE LAW OFFICE, LLC
252 Ponce de León Avenue
City Towers, Suite 1701
San Juan, Puerto Rico 00918
Phone: 787/620-0670
Fax: 787/620-0671
Email: cpg@go-law.com

CHARLES P. GILMORE

252 Ave. Ponce de León
San Juan, Puerto Rico 00918
Email: cpg@go-law.com; Tel. 787/620-0670

EDUCATION

Villanova University, School of Law, Juris Doctor (1988)
Villanova University, Bachelor of Arts, Cum Laude (1985)

PROFESSIONAL EXPERIENCE

-O'Neill & Gilmore Law Office, LLC	San Juan, Puerto Rico
Member, 2016 to present	
- O'Neill & Gilmore, PSC	San Juan, Puerto Rico
Founding Partner, 2004 to 2015	
-O'Neill Fernández Gilmore & Pérez-Ochoa	San Juan, Puerto Rico
Founding Partner, 2000-2004	
-Martínez Odell & Calabria	San Juan, Puerto Rico
Senior Associate Attorney, 1998-2000	
Associate Attorney, 1996-1998	
-Law Offices of Richard A. Lee	San Juan, Puerto Rico
Associate Attorney, 1994-1996	
-Charles P. Gilmore	
Solo Practitioner, 1990-1994	
-American Electronics Association	Washington DC
-U.S. House of Representatives	Washington DC
Subcommittee on Crime, 1989	
-Teacher of English as a Second Language	Nobeoka Japan
1988-1989	

BAR ADMISSIONS

- State of Florida (1990)
- Commonwealth of Pennsylvania (1991)
- State of California (1993)
- Commonwealth of Puerto Rico (1997)
- U.S. District Court for the District of Puerto Rico
- U.S. District Court for the Southern and Northern Divisions of Florida

AREAS OF LEGAL SPECIALIZATION

Bankruptcy, Reorganization, Workouts, Commercial Foreclosure, Federal Litigation, Title Insurance Defense